

**ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA**

Annual Financial Statements

June 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-14-07

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Independent Auditor's Report

Honorable Malise Prieto
St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Tammany Parish Clerk of Court (the Clerk), as of and for the year ended June 30, 2006, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Clerk. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Tammany Parish Clerk of Court as of June 30, 2006, and the respective change in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2006, on our consideration of the St. Tammany Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, beginning on page 4, and the budgetary comparison schedule identified as Schedule 1, are not required parts of the financial statements, but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

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Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk's basic financial statements. The accompanying supplemental information listed in the table of contents under Other Supplemental Information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all materials respects, in relation to the basic financial statements taken as a whole.



A Professional Accounting Corporation

November 3, 2006

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

ST. TAMMANY PARISH CLERK OF COURT
For the Year Ended June 30, 2006

Management's Discussion and Analysis

Management's Discussion and Analysis ("MD&A") for the St. Tammany Parish Clerk of Court (the "Clerk") is designed to:

- Assist the reader in focusing on significant financial issues;
- Provide an overview of the Clerk's financial activities;
- Identify changes in the Clerk's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- Identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
- Identify individual fund issues or concerns.

The information contained herein should be read in conjunction with the financial statements, notes thereto and other required supplemental information taken as a whole.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required supplementary information that introduces the reader to the basic financial statements and provides an overview of the Clerk's financial activities. The Clerk's basic financial statements consist of the following components: Government-wide financial statements, Fund financial statements, and Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

A. Government-Wide Financial Statements

The Government-Wide Financial Statements (see pages 12 and 13) are designed to present the financial operations of the Clerk as a whole in a format similar to private sector companies. The Statement of Net Assets presents information on the Clerk's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets (and changes in the components of net assets) may serve as a useful indicator of whether the financial position of the Clerk is improving or weakening.

The Statement of Activities presents information showing how the Clerk's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods, e.g., uncollected taxes and earned but unused vacation leave.

ST. TAMMANY PARISH CLERK OF COURT
For the Year Ended June 30, 2006

Management's Discussion and Analysis

B. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk uses two categories of funds to account for financial transactions - governmental funds and fiduciary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances available for spending at year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements (included on pages 15 through 18) provide a detailed short-term view of the Clerk's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. The Clerk has only one governmental fund - the General Fund -, which is used to account for the Clerk's basic services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Clerk's more immediate decisions on the current use of financial resources. The governmental funds columns of the Fund Financial Statements require and include a reconciliation following the Balance Sheet (reconciliation on page 16) and the Statement of Revenues, Expenditures and Changes in Fund Balances (reconciliation on page 18).

The Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds financial statements can be found on page 19 of this report. The only type of fiduciary fund accounted for by the Clerk is "agency" funds. Agency funds are custodial in nature and represent assets held by the Clerk as an agent for litigants pending court action. Under applicable standards of GASB No. 34, agency funds are not included in the government-wide financial statements. These activities are excluded from the Clerk's other financial statements because these assets are not available to finance operations. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are for unsettled deposits and declined \$410,107 during the current year.

ST. TAMMANY PARISH CLERK OF COURT
For the Year Ended June 30, 2006

Management's Discussion and Analysis

C. Notes to the Financial Statements

The Notes to the Financial Statements, in particular "Note A - Summary of Significant Accounting Policies", present the changes in presentation and reporting required under the GASB No. 34 Standard, and under GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. When reviewing this MD&A, the reader should refer to and review the Notes to the Financial Statements (beginning on page 21), as well as the Government-Wide and Fund Financial Statements (included on pages 12 through 18).

FINANCIAL HIGHLIGHTS

- At June 30, 2006, the St. Tammany Parish Clerk of Court maintained an Unrestricted Net Assets balance of \$4,110,246. Unrestricted Net Assets represents the net balance of all types of assets accumulated by the Clerk in excess of the amount invested in "capital assets" and any "restricted assets". Restricted assets are those that are constrained by creditors, grantors, contributors, or by laws and regulations. As of June 30, 2006, the Clerk does not have "restricted assets".
- At fiscal year-end, the total Investment in Capital Assets decreased to \$129,708.
- Total assets at June 30, 2006 were \$4,547,793 while total liabilities amounted to \$307,839. In accordance with statutory requirements, the Clerk has no bonded indebtedness or long-term notes.
- The most significant continuing revenue sources for governmental activities were \$4,389,652 in revenues from document recording fees and \$2,240,007 in charges and court costs for suits and successions.
- Total revenues of the Clerk exceeded total expenses for the fiscal year, resulting in an increase in Net Assets of \$207,169.

ST. TAMMANY PARISH CLERK OF COURT
For the Year Ended June 30, 2006

Management's Discussion and Analysis

Government-Wide Financial Analysis

Statement of Net Assets

Included below are the condensed Statements of Net Assets for the St. Tammany Parish Clerk of Court.

Condensed Statements of Net Assets - Governmental Activities

	6/30/2006	6/30/2005
Current and Other Assets	\$ 4,418,085	\$ 4,097,307
Capital Assets, Net	219,708	186,396
Total Assets	<u>\$ 4,547,793</u>	<u>\$ 4,283,703</u>
Liabilities	\$ 307,839	\$ 250,918
Total Liabilities	<u>307,839</u>	<u>250,918</u>
Net Assets:		
Invested in Capital Assets	129,708	186,396
Unrestricted Net Assets	4,110,246	3,846,389
Total Net Assets	<u>\$ 4,239,954</u>	<u>\$ 4,032,785</u>

See page 13 for a more detailed Statement of Net Assets for the St. Tammany Parish Clerk of Court.

Government-Wide Review of Condensed Statement of Net Assets

The composition of Net Assets and the changes in Net Assets over time serves as a useful indicator of a government's financial position. The St. Tammany Parish Clerk of Court's assets at fiscal year-end exceed liabilities by \$4,239,954 (Net Assets), with the Clerk reporting positive balances in all categories of Net Assets. Of the total Net Assets, \$4,110,246 is Unrestricted Net Assets. The balance of Net Assets consists of \$129,708 invested in Capital Assets.

The largest component of the "Current and Other Assets" category is cash and cash equivalents and investments with a combined total of \$4,148,298, which are unrestricted and available to meet the Clerk's operational obligations. These funds increased by \$294,267 during the year, primarily as a result of the decrease in prepaid expenses and the increase in current liabilities.

Capital Assets, totaling \$129,708 represent the investment in computers, furniture and equipment, all of which are more fully described in a later section. This balance is \$56,688 less than last year due to depreciation and retirements.

The "Liabilities" category consists of accrued liabilities, deferred revenue and compensated absences. Total liabilities increased by \$56,921 during the current year. Approximately 65% resulted from an increase in Deferred Revenues.

ST. TAMMANY PARISH CLERK OF COURT
For the Year Ended June 30, 2006

Management's Discussion and Analysis

Statement of Activities

The Statement of Activities for the St. Tammany Parish Clerk of Court is presented on page 14. An explanation of the components of this statement is as follows.

There are two categories of revenues on the Statement of Activities - "Program Revenues" and "General Revenues". "Program Revenues" are derived directly from the program itself and they reduce the net cost of the function to be financed from the government's "General Revenues" which are presented below:

	6/30/2006	6/30/2005
Program Revenues:		
Recording Legal Documents	\$ 4,389,652	\$ 4,335,601
Court Costs, Fees and Charges	2,240,007	2,304,903
Certified Copies	230,384	228,789
Marriage Licenses	31,822	34,385
Total Program Revenues	6,891,865	6,903,678
General Revenues:		
Other Revenues	372,245	261,658
Interest Earnings	379,199	188,254
Total General Revenues	751,444	449,912
Total Revenues	\$ 7,643,309	\$ 7,353,590
Program Expenses:		
Personnel Services	\$ 6,287,604	\$ 6,699,922
Operating Services	502,848	491,128
Materials and Supplies	321,679	127,316
Travel/Educational/Seminar Expenses	30,278	30,259
Capital Outlays	156,612	6,614
Miscellaneous	137,119	86,445
Total Expenses	\$ 7,436,140	\$ 7,441,684

Analysis of Fund Financial Statements

The Clerk maintains only one "governmental fund" - the General Fund. Its statements are presented as follows:

<u>Description of Financial Statement</u>	<u>Page Number</u>
Balance Sheet	15
Statement of Revenues, Expenditures, and Changes in Fund Balance	17

ST. TAMMANY PARISH CLERK OF COURT
For the Year Ended June 30, 2006

Management's Discussion and Analysis

Governmental Funds

Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources. The analysis in this section includes a discussion of components of the Fund Financial Statements, but concentrates on differences not discussed previously for the Government-Wide Financial Statements. At fiscal year-end, the General Fund reported an Unreserved Fund Balance of \$4,199,884. Cash and Cash Equivalents and Receivables totaling \$1,221,139 and investments totaling \$3,110,000 are identical to the Government-Wide presentation. Capital Assets of \$129,708 are presented only in the Government-Wide presentation. The Fund Financial Statements only account for current financial resources; therefore, current year capital expenditures are accounted for in the current year operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance). Liabilities totaling \$131,255 include Accrued Expenses and Deferred Revenue. Since compensated absences are only recorded when paid, they are not included here.

The fund reporting format presents in the Statement of Revenues, Expenditures, and Changes in Fund Balance all revenue types followed by the expenses of the Clerk, presented on a functional basis. The major revenue and expenditure sources are similar to the government-wide presentation. The differences in total expenditures are in the reporting of capital expenditures, depreciation and prepaid expenses. As previously noted, in the Fund Financial Statements, capital expenditures are reported on the operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance); whereas the Government-Wide Financial Statements report capital assets on the Statement of Net Assets with depreciation expense recorded on the Statement of Activities in a manner similar to a private business enterprise.

Required Supplementary Information

In addition to this MD&A and the basic financial statements, this report also presents certain Required Supplementary Information, which includes a Budgetary Comparison Schedule found on page 34. The presentation under the GASB No. 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Analysis of Budget Variations in the General Fund

Actual revenues exceeded final budgeted revenues by approximately 3.0% and actual expenditures approximated budgeted expenditures by less than 1.6%.

The variations from the original budgeted revenues and expenditures for the General Fund were as follows:

- There were no changes to the Original Budget for both revenues and expenditures.
- Actual revenues exceeded the Final Budget by \$221,759. Expenditures were less than the Final Budget by \$112,017.

ST. TAMMANY PARISH CLERK OF COURT
For the Year Ended June 30, 2006

Management's Discussion and Analysis

Capital Assets and Long-Term Debt

Capital Assets at Year-End

Capital assets had a net decrease of \$56,688 for the year ended June 30, 2006, primarily as a result of depreciation expense. A detail of the capital assets is found in Notes to Financial Statements No. 4.

Long Term Debt

Since Clerks of Court are not allowed to incur long-term indebtedness for bonds or notes payable, the Clerk had no long-term debt outstanding.

Economic Factors

The setting of fees and costs for services is primarily regulated by the Louisiana Revised Statutes and the Clerk has limited discretion in this area, as evidenced by the Louisiana Legislature's approval of changes to Revised Statute 13:3049 B 2(a), which provided for fees in connection with a jury trial, causing the Clerk's office to realize a significant decline in these revenues. During its session in August 2005, the Legislature changed its position regarding fees, resulting in a "Request for Jury Trial" now allowing for the collection of such fees, but with some limitations not previously imposed. Consequently, the Clerk's office anticipates an increase in these revenues for the year 2006-2007.

Following Hurricane Katrina, there has been a large increase in the population and shift in the demographics of St. Tammany Parish, which is having and will continue to have an effect on the operations of the Clerk's office. Revenues have increased as a result of the number of lawsuits filed, request for copies of documents lost in the storm, purchases and sales of homes, commercial real estate transactions and other fees related to the increased population. Additionally, expenses are being affected primarily by the decline in available personnel in the Parish and the increasing cost of health care insurance. Since Hurricane Katrina, The Clerk's office has had to pay more in beginning salaries and benefits in order to attract professional employees. As a result of these increases and decreases, the Clerk's office anticipates an increase in its Net Assets for the year 2006-2007.

Requests for Information

This financial report is designed to provide a general overview of the St. Tammany Parish Clerk of Court's finances. Questions concerning this report or the need for additional information should be directed to Malise Prieto, Clerk of Court, St. Tammany Parish, P. O. Box 1090, Covington, Louisiana 70434.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement A

ST. TAMMANY PARISH CLERK OF COURT
 ST. TAMMANY PARISH, LOUISIANA
 Statement of Net Assets
 June 30, 2006

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 1,038,298
Investments	3,110,000
Accounts Receivable	182,841
Prepaid Insurance	86,946
Capital Assets, Net	<u>129,708</u>
Total Assets	<u>4,547,793</u>
Liabilities	
Accrued Liabilities	14,233
Deferred Revenue	117,022
Compensated Absences	<u>176,584</u>
Total Liabilities	<u>307,839</u>
Net Assets	
Invested in Capital Assets	129,708
Unrestricted	<u>4,110,246</u>
Total Net Assets	<u>\$ 4,239,954</u>

The accompanying notes are an integral part of these financial statements.

Statement B

ST. TAMMANY PARISH CLERK OF COURT
 ST. TAMMANY PARISH, LOUISIANA
 Statement of Activities
 For the Year Ended June 30, 2006

Functions / Programs	Expenses	Program	Net (Expenses)
		Revenues	Revenues and
		Charges for	Change to
		Services	Net Assets
			Governmental
			Activities
Governmental Activities			
General Government	\$ 7,436,140	\$ 6,891,865	\$ (544,275)
General Revenues			
Other Revenues			372,245
Interest Earnings			<u>379,199</u>
Total General Revenues			<u>751,444</u>
Change in Net Assets			207,169
Net Assets, Beginning of Year			<u>4,032,785</u>
Net Assets, End of Year			<u>\$ 4,239,954</u>

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

Statement C**ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Balance Sheet
Governmental Fund
June 30, 2006**

	General Fund
Assets	
Cash and Cash Equivalents	\$ 1,038,298
Investments	3,110,000
Accounts Receivable	<u>182,841</u>
Total Assets	<u>\$ 4,331,139</u>
Liabilities	
Accrued Liabilities	\$ 14,233
Deferred Revenue	<u>117,022</u>
Total Liabilities	<u>131,255</u>
Fund Balance	
Unreserved	<u>4,199,884</u>
Total Fund Balance	<u>4,199,884</u>
Total Liabilities and Fund Balance	<u>\$ 4,331,139</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH CLERK OF COURT
 ST. TAMMANY PARISH, LOUISIANA
 Reconciliation of the Governmental Fund Balance Sheet
 to the Government-Wide Statement of Net Assets
 June 30, 2006

Amounts reported for governmental activities in the Statement of Net Assets
 are different because:

Fund Balance - Governmental Fund	\$ 4,199,884
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental Capital Assets	651,508
Less: Accumulated Depreciation	(521,800)
Prepaid expenses are not recorded as an asset on the governmental balance sheet as they represent funds that have already been expended	86,946
Compensated absences are not payable out of current funds and are not included in governmental fund balance.	<u>(176,584)</u>
Net Assets of Governmental Activities	<u>\$ 4,239,954</u>

The accompanying notes are an integral part of these financial statements.

Statement E

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Statement of Revenues, Expenditures and Change in Fund Balance
Governmental Fund
For the Year Ended June 30, 2006

	General Fund
Revenues	
Fees, Charges, and Commissions for Services	
Court Costs; Fees and Charges	\$ 2,240,007
Fees for Recording Legal Documents	4,389,652
Fees for Certified Copies	230,384
Other Revenues	372,245
Marriage Licenses	31,822
Interest Earnings	379,199
Total Revenues	<u>7,643,309</u>
Expenditures	
General Government	
Administration	426,015
Recordings and Filings	1,277,666
Mortgage Certificates	1,350,384
Civil Suits and Probates	2,315,664
Criminal Suits and Minutes	1,558,942
Elections	149,824
Computers	220,526
Total Expenditures	<u>7,299,021</u>
Excess of Revenues over Expenditures	344,288
Fund Balance, Beginning of Year	<u>3,855,596</u>
Fund Balance, End of Year	<u>\$ 4,199,884</u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
and Change in Fund Balance of the Governmental Fund
to the Government-Wide Statement of Activities
For the Year Ended June 30, 2008**

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net Change in Fund Balance - Governmental Fund	\$ 344,288
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation charged in the current period exceeded capital outlay.	(43,354)
Loss on Disposition of Capital Assets	(13,334)
Change in Prepaid Insurance	(70,327)
Change in Compensated Absences	<u>(10,104)</u>
Change in Net Assets of Governmental Activities	<u>\$ 207,169</u>

The accompanying notes are an integral part of these financial statements.

Statement G

**ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2006**

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 5,620,521
Investments	<u>4,170,000</u>
Total Assets	<u>\$ 9,790,521</u>
 Liabilities	
Unsettled Deposits	<u>\$ 9,790,521</u>
 Total Liabilities	<u>\$ 9,790,521</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The financial statements of the St. Tammany Parish Clerk of Court (the Clerk) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk is elected for a four-year term.

For financial reporting purposes, the Clerk includes all funds, account groups, and activities that are within the oversight responsibility of the Clerk as an independently elected parish official. The Clerk is solely responsible for the operations of her office, which include the hiring or retention of employees, authority over budgeting, and the receipt and disbursement of funds. Accordingly, the Clerk is fiscally independent and a separate reporting entity. Certain units of local government, over which the Clerk exercises no oversight responsibility, such as the Parish Council, Parish School Board, other independently elected parish officials, and municipalities within the Parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Clerk.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the Governmental Fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, compensated absences are recorded when paid.

Fees and charges for services, interest earnings, and other revenues of the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Clerk.

The financial statements of the Clerk include the following major governmental fund:

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, two Agency Funds are included - The Advance Deposit and The Registry of Court. Agency funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Advance Deposit Fund is used to account for advance deposits in suits filed by litigants. The Registry of Court Fund is used to account for funds held by order of the court until judgment is rendered by the judiciary.

Budget and Budgetary Accounting

Formal budget integration is employed as a management control device during the year for the General Fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The proposed budget for the 2006 fiscal year was made available for public inspection at the Clerk's office on June 9, 2005. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal twelve days before the public hearing. The budget hearing was held at the Clerk's office on June 23, 2005. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits. Investments consist of certificates of deposit and an account with the Louisiana Asset Management Pool, Inc. (LAMP).

State statutes authorize the Clerk to invest in the following types of securities:

- (1) Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. Government.
- (2) Fully-collateralized certificates of deposit issued by qualified commercial banks and savings and loan institutions located within the State of Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.
- (3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies, or by U.S. Government instrumentalities, which are federally sponsored, and provided such obligations are backed by the full faith and credit of the U.S. Government.
- (4) Direct repurchase agreements of any federal bank including only securities enumerated in paragraphs (1) and (3) above. "Direct security repurchase agreement" means an agreement under which the political subdivision buys, holds for a specified time, and then sells back those securities and obligations enumerated in paragraphs (1) and (3) above.
- (5) Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933, and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

Investments, as required by Government Auditing Standards Board Statement No. 31 are reported at fair value, which is determined using selected market quotes.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include computers, furniture and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical costs are not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$2,500 or more for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital outlays are recorded as expenditures of the General Fund, and they are recorded as assets in the government-wide financial statements to the extent the Clerk's capitalization threshold is met. The Clerk has no infrastructure assets.

All capital assets are depreciated using the straight-line method over useful lives of five to twelve years.

Compensated Absences

Employees accrue vacation leave at the rate of 10 to 20 days per year, according to years of service with the Clerk's office. A maximum of 5 days of vacation leave can be carried forward to the succeeding year with written approval of supervisor or department head. Vacation leave in excess of the carry forward amount is forfeited. Employees accrue sick leave at a rate of 6 to 12 days per year, according to years of service with the Clerk's office. Employees are allowed to carry forward a maximum of 30 days of unused sick leave from year to year. Upon termination, or at retirement, employees are paid for unused sick leave at the discretion of the Clerk. At retirement, employees are paid for all accrued vacation leave.

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as a liability in the Statement of Net Assets.

Fund Equity

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

1. Invested in capital assets – Consists of capital assets, net of accumulated depreciation
2. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets "

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
June 30, 2006

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

Fund Statements

Governmental fund equity is classified as unreserved fund balance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Cash, Cash Equivalents and Investments

At June 30, 2006, the Clerk has cash and cash equivalents (book balances) as follows:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash and Cash Equivalents:			
Petty Cash	\$ 1,181	\$ -	\$ 1,181
Interest Bearing Deposits	1,037,117	5,620,521	6,657,638
	<u>\$ 1,038,298</u>	<u>\$ 5,620,521</u>	<u>\$ 6,658,819</u>
Investments:			
Certificates of Deposit	\$ 3,010,000	\$ 4,170,000	\$ 7,180,000
LAMP Account	100,000	-	100,000
	<u>\$ 3,110,000</u>	<u>\$ 4,170,000</u>	<u>\$ 7,280,000</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

**ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
June 30, 2006**

Notes to Financial Statements

Note 2. Cash, Cash Equivalents and Investments (Continued)

These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2006, the Clerk has \$10,475,479 in deposits (collected bank balances), which includes investments in certificates of deposits of \$7,180,000. These deposits are secured from risk by \$1,200,000 of federal deposit insurance and \$9,275,479 of pledged securities held by the custodial bank in the name of the bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk that the bank has failed to pay deposited funds upon demand.

In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2006, is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LRS 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective June 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LRS 33:2955(A)(1)(h), which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
June 30, 2006

Notes to Financial Statements

Note 3. Receivables

The receivables of \$182,841 at June 30, 2006, consisted of the following:

Criminal Costs	\$ 50,255
Advance Deposits	105,347
Court Attendance	1,175
Recordation	24,145
Miscellaneous	<u>1,919</u>
	<u>\$ 182,841</u>

The Clerk considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

Note 4. Capital Assets

Change in capital assets for the year ended June 30, 2006, is as follows:

Governmental Activities	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
Capital Assets Being Depreciated:				
Computers, Furniture and Equipment	\$ 625,041	\$ 43,135	\$ (16,668)	\$ 651,508
Total Capital Assets Being Depreciated	<u>625,041</u>	<u>43,135</u>	<u>(16,668)</u>	<u>651,508</u>
Less Accumulated Depreciation for:				
Computers, Furniture and Equipment	<u>(438,645)</u>	<u>(86,489)</u>	<u>3,334</u>	<u>(521,800)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 186,396</u>	<u>\$ (43,354)</u>	<u>\$ (13,334)</u>	<u>\$ 129,708</u>

Note 5. Compensated Absences

At June 30, 2006, employees of the Clerk of Court have accumulated and vested \$176,584 of employee leave benefits. This amount is recorded as a liability on the Statement of Net Assets.

Notes to Financial Statements

Note 6. Risk Management

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk, along with other Clerks of Court in the State of Louisiana, formed the Clerks of Court Self-Insurance Association Fund (CSIAF). It is a public entity risk pool currently operating as a common risk management and insurance program for 36 member Clerks of Court. The Clerks pay an annual premium to CSIAF for their general insurance coverage. The Articles of Association of the CSIAF provide that CSIAF will be self-sustaining through member premiums. The CSIAF pays claims, in excess of the Clerk's deductible of \$3,750, up to a maximum limit of \$1,000,000 for each insured event. During the year ended June 30, 2006, no claims were made against the St. Tammany Parish Clerk of Court for risks covered by the CSIAF.

Note 7. Pension Plan

Plan Description. Substantially all employees of the Clerk's office are members of the Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55, and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary, and the St. Tammany Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the St. Tammany Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Beginning July 1, 2001, the Clerk voluntarily began paying both the employee and employer required contributions.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
June 30, 2006

Notes to Financial Statements

Note 7. Pension Plan (Continued)

The St. Tammany Parish Clerk of Court's contributions to the System for the years ending June 30, 2006, 2005 and 2004, were \$950,416, \$957,998 and \$808,032, respectively, equal to the required contributions for each year.

Note 8. Post Employment Benefits

In addition to the pension benefits described in Note 7, the Clerk provides post employment healthcare and life insurance benefits to all employees who retire from the Clerk under the same restrictions as in the above note. As of June 30, 2006, there were 19 retired employees participating in the post employment healthcare and life plan.

The benefits for the covered employees are provided through an insurance company whose monthly premiums are paid jointly by the employee/retiree and by the Clerk. The cost of providing these benefits for the retirees is separable from the cost of providing benefits for active employees and is recorded on a pay-as-you-go basis (cash basis). The Clerk's portion of the total premiums for all employees for the fiscal year ended June 30, 2006, aggregated \$969,143. For the year ended June 30, 2006, the cost of retiree benefits included in total paid premiums was \$77,626.

Note 9. Deferred Compensation Plan

Certain employees of the Clerk participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

**ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
June 30, 2006**

Notes to Financial Statements

Note 10. Contingent Liabilities

From time to time, the Clerk is involved as a defendant in actual or threatened litigation, which is not covered by insurance. At June 30, 2006, there were no pending or threatened claims, which, in the opinion of the Clerk's legal advisors, would have a material adverse effect on the financial statements, should such claims be settled in favor of the plaintiffs.

Note 11. Expenditures of the Clerk of Court Required to be Paid by the Parish Council

Louisiana Revised Statute 13:784 requires the Parish Council to provide the Clerk with all necessary office furniture, equipment, and record books. During the year ended June 30, 2006, as well as for several years prior thereto, items provided by the Parish Council have been limited to certain furniture and fixtures, office and storage space, and utilities.

In the accompanying financial statements, the value of materials, supplies, and services provided by the Parish Council are not reflected. In addition, no recognition has been given for the amount, if any, which may be recoverable for mandated items not provided.

Note 12. Excess Fund Balance

Louisiana Revised Statute 13:785 requires that every four years, at the close of the term of office, the Clerk must pay the Parish Council the portion of the General Fund's fund balance that exceeds one-half of the general fund revenues for the Clerk's last year of office, which amount shall be limited to the total funds provided the Clerk by the Parish during said term of office. At June 30, 2006, the General Fund's balance exceeded one-half of the general fund revenues by \$378,230, which has not been recorded as a liability at June 30, 2006, since this year is not the close of the term of office.

Note 13. Clerk's Compensation

The Clerk's compensation for the year ended June 30, 2006, as established by law for salary, statutory allowance, and custodian of voting machines, was \$102,100, \$10,210, and \$2,400, respectively.

Note 14. Hurricane Katrina

On August 29, 2005, St. Tammany Parish was severely impacted by Hurricane Katrina. The Clerk's office in Slidell, which is owned by the Parish Council, was damaged. Equipment with a book value of \$13,334 was destroyed. At this time, the impact on the Clerk's revenues has not been determined.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
June 30, 2006

Notes to Financial Statements

Note 15. Change in Agency Fund Balance

The following is a summary of change in agency fund unsettled deposits:

	Unsettled Deposits at July 1, 2005	Additions	Reductions	Unsettled Deposits at June 30, 2006
Advance Deposit	\$ 5,587,723	\$3,969,808	\$4,301,148	\$5,256,383
Registry of Court	4,612,905	2,316,745	2,395,512	4,534,138
Total	<u>\$10,200,628</u>	<u>\$6,286,553</u>	<u>\$6,696,660</u>	<u>\$9,790,521</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

ST. TAMMANY PARISH CLERK OF COURT
 ST. TAMMANY PARISH, LOUISIANA
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Fees, Charges, and Commissions for Services				
Court Costs, Fees and Charges	\$ 2,415,300	\$ 2,415,300	\$ 2,240,007	\$ (175,293)
Fees for Recording Legal Documents	4,256,500	4,256,500	4,389,652	133,152
Fees for Certified Copies	225,500	225,500	230,384	4,884
Other Revenues	300,500	300,500	372,245	71,745
Marriage Licenses	38,750	38,750	31,822	(6,928)
Interest Earnings	185,000	185,000	379,199	194,199
Total Revenues	7,421,550	7,421,550	7,643,309	221,759
Expenditures				
General Government				
Administration	394,403	394,403	426,015	(31,612)
Recordings and Filings	1,254,669	1,254,669	1,277,666	(22,997)
Land Records	1,289,588	1,289,588	1,350,384	(60,796)
Civil Suits and Probates	2,385,351	2,385,351	2,315,664	69,687
Criminal Suits and Minutes	1,765,762	1,765,762	1,558,942	206,820
Elections	126,128	126,128	149,824	(23,696)
Computers	195,135	195,135	220,526	(25,391)
Total Expenditures	7,411,038	7,411,038	7,299,021	112,017
Change in Fund Balance	\$ 10,512	\$ 10,512	344,288	\$ 333,776
Fund Balance, Beginning of Year			<u>3,855,596</u>	
Fund Balance, End of Year			<u>\$ 4,199,884</u>	

See independent auditor's report.

OTHER SUPPLEMENTAL INFORMATION

Schedule 2

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Schedule of Revenues
Governmental Fund Type - General Fund
For the Year Ended June 30, 2006

Court Costs, Fees, and Charges

Fees-Advance Deposit	\$ 1,793,978
Criminal Costs	423,221
Court Attendance	19,340
DA Bond Forfeiture	<u>3,468</u>
	<u>2,240,007</u>

Recording of Legal Documents

Recording	3,975,508
Cancellations	257,369
UCC Fees	65,468
Certificates	68,242
Parish Council Costs	20,319
SE Legal Service Costs	<u>2,746</u>
	<u>4,389,652</u>

Certified Copies230,384**Other**

Internet Income	227,278
Election Fees	30,566
Passports	62,625
Other	45,532
Computer Time	<u>6,244</u>
	<u>372,245</u>

Marriage Licenses31,822**Interest Earnings**379,199**Total Revenues**\$ 7,643,309

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Schedule of Expenditures
Governmental Fund Type - General Fund
For the Year Ended June 30, 2006

Administration

Personnel Services	\$ 330,575
Operating Services	53,123
Materials and Supplies	12,615
Travel and Other Charges	12,251
Capital Outlay under \$2,500	6,353
Capital Outlay over \$2,500	<u>11,098</u>
	<u>426,015</u>

Recordings and Filings

Personnel Services	1,114,750
Operating Services	86,534
Materials and Supplies	59,806
Travel and Other Charges	4,044
Capital Outlay under \$2,500	<u>12,532</u>
	<u>1,277,666</u>

Land Records

Personnel Services	1,142,317
Operating Services	95,742
Materials and Supplies	59,694
Travel and Other Charges	4,937
Capital Outlay under \$2,500	23,714
Capital Outlay over \$2,500	<u>23,980</u>
	<u>1,350,384</u>

Civil

Personnel Services	2,051,014
Operating Services	128,872
Materials and Supplies	91,332
Travel and Other Charges	4,028
Capital Outlay under \$2,500	34,018
Capital Outlay over \$2,500	<u>6,400</u>
	<u>2,315,664</u>

Schedule 3 (Continued)

ST. TAMMANY PARISH CLERK OF COURT
 ST. TAMMANY PARISH, LOUISIANA
 Schedule of Expenditures (Continued)
 Governmental Fund Type - General Fund
 For the Year Ended June 30, 2006

Criminal

Personnel Services	1,352,394
Operating Services	79,349
Materials and Supplies	87,150
Travel and Other Charges	2,955
Capital Outlay under \$2,500	30,694
Capital Outlay Over \$2,500	<u>6,400</u>
	<u>1,558,942</u>

Elections

Personnel Services	133,472
Operating Services	7,942
Materials and Supplies	6,194
Travel and Other Charges	929
Capital Outlay under \$2,500	<u>1,287</u>
	<u>149,824</u>

Computers

Personnel Services	163,082
Operating Services	51,286
Materials and Supplies	4,888
Travel and Other Charges	1,134
Capital Outlay under \$2,500	<u>136</u>
	<u>220,526</u>

Total Expenditures

\$ 7,299,021

**ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Agency Funds
June 30, 2006**

Advance Deposit Fund

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until final judgment has been rendered in court litigation. Withdrawal of the funds can be made only upon order of the court.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2006

	Advance Deposit Fund	Registry of Court Fund	Total
Assets			
Cash and Cash Equivalents	\$ 1,086,383	\$ 4,534,138	\$ 5,620,521
Investments	4,170,000	-	4,170,000
Total Assets	\$ 5,256,383	\$ 4,534,138	\$ 9,790,521
Liabilities			
Unsettled Deposits	\$ 5,256,383	\$ 4,534,138	\$ 9,790,521
Total Liabilities	\$ 5,256,383	\$ 4,534,138	\$ 9,790,521

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
Schedule of Change In Unsettled Deposits
Agency Funds
For the Year Ended June 30, 2006

	Advance Deposit Fund	Registry of Court Fund	Total
Unsettled Deposits, Beginning of Year	\$ 5,587,723	\$ 4,612,905	\$ 10,200,628
Additions			
Deposits:			
Suits and Successions	3,956,919	-	3,956,919
Judgments	-	2,276,273	2,276,273
Interest Earned on Investments	12,889	40,472	53,361
Total Additions	3,969,808	2,316,745	6,286,553
Total	9,557,531	6,929,650	16,487,181
Reductions			
Settlements to Litigants	1,584,957	2,395,512	3,980,469
Clerk Costs	1,716,481	-	1,716,481
Sheriff's Fees	363,392	-	363,392
Other	334,027	-	334,027
Parish Council Costs	152,091	-	152,091
22nd Judicial District Court Fund	82,590	-	82,590
Secretary of State	32,000	-	32,000
Stenographer Fees	27,806	-	27,806
Court of Appeals	7,804	-	7,804
Total Reductions	4,301,148	2,395,512	6,696,660
Unsettled Deposits, End of Year	\$ 5,256,383	\$ 4,534,138	\$ 9,790,521



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Malise Prieto
St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Tammany Parish Clerk of Court (the Clerk), as of and for the year ended June 30, 2006, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated November 3, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Tammany Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Tammany Parish Clerk Of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Salute, Schatz, Long & Neal

A Professional Accounting Corporation

November 3, 2006